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research and statistics note

NOTE NO. 16
SEPTEMBER 17, 1980

STATE AND LOCAL GOVERNMENT EMPLOYEES COVERED UNDER SOCIAL SECURITY, 1977-79*

This note presents the latest data available on Federal social security coverage provided to State and local government employees under the elective provisions of the Social Security Act. Data are shown on the extent of coverage, the extent of coverage terminations, and the characteristics of covered workers.

Extent of coverage

On March 31, 1978, approximately 9.2 million, or about 72 percent, of the 12.9 million[1] State and local government jobs in the 50 States were covered by the social security (OASDI) program. Total State and local government employment increased about 15 percent in the 5-year period since March 1973, but the percent of those jobs covered by the OASDI program remained about the same.

Table 1 shows the number of State and local government jobs, the number of jobs covered, and the percent covered, in each of the 50 States. In 12 States coverage is virtually complete, exceeding 95 percent. In only five States are less than 25 percent of the jobs covered.

While 9.2 million State and local government jobs are covered under social security, the number of persons employed in those jobs is slightly less—9.1 million. For nearly 8.9 million persons, the covered State and local government job was their major job, that is, producing more earnings than any other.

The number of covered jobs was derived from the number of wage items reported by employers on form OAR-S3 for the first quarter of 1978. A relationship between employment over the quarter and employment as of a point-in-time was calculated, for each State, from the 1977 1-percent employee-employer statistical file,[2] by determining the percent of first-quarter workers reported by the same employer in the second quarter or reaching the maximum taxable in the first quarter. This file, because it contains all of an individual's covered wage and salary employment in 1977, was also the basis for estimating the number of persons in covered State and local government jobs, and the number for whom such employment was the major job.

Characteristics of Covered Workers

State and local government employees under the OASDI program have a distinctive demographic composition. The data for 1977 show that among workers whose major[3] OASDI-covered job was in non-Federal government 54 percent are women, compared with 42 percent among other wage/salary

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[1]The total employment of 12.9 million is based on the 1977 Census of Governments' *Compendium of Public Employment* (table 10), the Census Bureau's *Public Employment in 1977* and *Public Employment in 1978*, and the Bureau of Labor Statistics' monthly series on State and local government employment.

[2]For a description of the sample design and generalized tables of sampling error, see Robert H. Finch, Jr., *Sampling Variability in the 1-percent Continuous Work History Sample* (Washington, D.C., U.S. Govt. Print. Off., 1977).

[3]Again, in terms of earnings.

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workers (table 2). By race, 15 percent are black. The percent of blacks among *all* State and local government employees is less[4] because some States with large numbers of noncovered employees have relatively small black populations—Massachusetts and California, in particular.

Less than 20 percent of covered non-Federal public employees are under age 25, compared with more than 30 percent for other wage/salary workers. This contrast is reflected in differential insuredness for OASDI program benefits: relatively more State and local government workers (91 percent) than other (89 percent) workers were insured on January 1, 1978, at least for survivorship benefits.

Of covered non-Federal public workers 69 percent earned four quarters of coverage in 1977 with 12 percent earning the maximum taxable—$16,500. The corresponding percentages for other workers are 64 and 14, respectively.

The data presented in this section are from the 1977 1-percent sample. Also, employment in Puerto Rico and the Virgin Islands is included.

[4]Cf. U.S. Bureau of the Census, "Government Workers," *Census of Population: 1970*, PC(2)-7D.

Cumulative Extent of Coverage Terminations

State and local government employers may request termination of their social security coverage. The termination, which is irreversible, becomes effective 2 years after the request is made, unless the request is withdrawn during the 2-year period.

As of December 31, 1979, 700 employers, including the Alaska State government, have terminated their social security coverage (table 3). Of these employers 80 percent are in the three States—California, 38 percent; Louisiana, 28 percent; and Texas, 14 percent. The total number of workers affected (based on the number of wage items reported on form OAR-S3 by employers terminating their coverage) is approximately 130,000 (or about 1.4 percent of the current covered State and local government workforce).

Another 250 employers, with some 89,000 workers, have coverage terminations scheduled for 1980 and 1981. The three States with the most employers with pending terminations are California, 21 percent; Texas, 23 percent; and Georgia, 15 percent.

TABLE 1.—Estimates of social security coverage of State and local government jobs, March 1978

[Numbers in thousands]

State (ranked by number of jobs)	Number of jobs	Number of jobs covered	Percent covered	State (ranked by number of jobs)	Number of jobs	Number of jobs covered	Percent covered
Total	12,889	9,230	72				
1. California	1,400	597	43	26. Kentucky	179	132	74
2. New York	1,089	1,015	93	27. Oklahoma	173	149	86
3. Texas	754	430	57	28. Oregon	162	153	95
4. Illinois	605	233	38	29. Connecticut	161	101	63
5. Ohio	575	---	0	30. Kansas	159	144	90
6. Pennsylvania	572	572	100	31. Arizona	155	146	94
7. Michigan	564	505	89	32. Mississippi	145	140	97
8. Florida	497	415	83	33. Arkansas	115	114	99
9. New Jersey	427	427	100	34. Nebraska	110	105	95
10. North Carolina	344	315	92	35. West Virginia	107	103	96
11. Massachusetts	330	---	0	36. Utah	87	76	88
12. Georgia	327	273	84	37. New Mexico	84	71	85
13. Virginia	321	314	98	38. Maine	67	24	36
14. Indiana	292	260	89	39. Montana	66	50	75
15. Wisconsin	276	260	94	40. Hawaii	58	42	72
16. Missouri	266	198	74	41. Idaho	58	55	96
17. Minnesota	254	181	71	42. Rhode Island	52	38	73
18. Tennessee	253	218	86	43. New Hampshire	49	47	96
19. Maryland	252	252	100	44. South Dakota	49	41	85
20. Louisiana	234	54	23	45. Nevada	48	3	6
21. Washington	231	231	100	46. North Dakota	47	37	80
22. Alabama	214	214	100	47. Delaware	37	23	63
23. Colorado	185	42	23	48. Wyoming	33	32	95
24. Iowa	182	169	93	49. Alaska	33	24	74
25. South Carolina	181	176	97	50. Vermont	29	26	90

TABLE 2.—Percentage distribution of OASDI-covered wage/salary workers by selected characteristics, 1977

Characteristic	State and local government workers	Other workers
Sex:		
Total	100	100
Male	46	58
Female	54	42
Race:		
Total	100	100
Black	15	10
All others	85	90
Age:		
Total	100	100
Less than 25	19	31
25-34	28	25
35-44	19	16
45-54	17	14
55 and over	16	13
Insured status, 1/1/78:		
Total	100	100
Insured for survivor benefits	91	89
Not insured	9	11
Quarters of coverage in 1977:		
Total	100	100
None or one	10	11
Two or three	21	25
Four	69	64
Wage/salary earnings:		
Total	100	100
Less than $16,500	88	86
$16,500 or more	12	14

TABLE 3.—Number of OASDI coverage terminations by State and local government employers, December 1979

State	Employers	Workers
	Terminations effective, 1959-79	
Total	699	129,383
Alaska	2	14,496
California	267	37,820
Georgia	17	13,121
Louisiana	195	45,246
Texas	98	13,375
All others	124	5,325
	Terminations pending, 1980-81	
Total	250	86,164
Alaska	13	3,111
California	67	16,193
Georgia	37	16,310
Louisiana	14	9,254
Texas	57	25,797
All others	62	15,499

a chartbook

Aid to Families with Dependent Children

More than $10.6 billion in benefits were paid in aid to families with dependent children (AFDC) in 1977. In its newest chartbook the Social Security Administration provides facts and figures on the 3.5 million families who received those benefits plus medical and social services and food stamps. The data are presented in 14 charts with accompanying text and photographs. The data on characteristics include number of children, living arrangements, work status, mobility, and level of education.

29pp.
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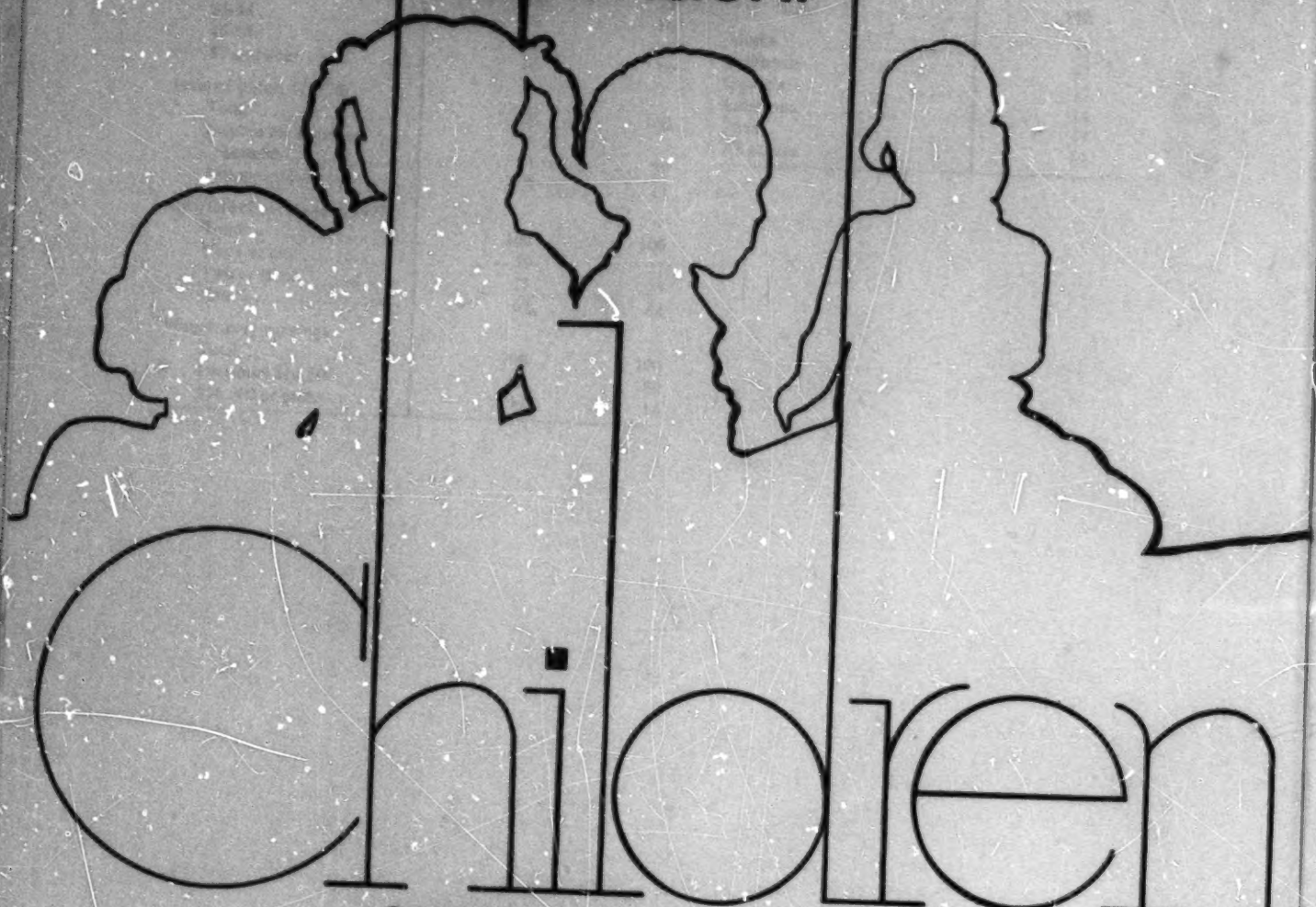

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2	Social Welfare Expenditures, Fiscal Year 1978	February 14, 1980
3	Social Security Beneficiaries Using the Direct Deposit Procedure, December 1978	March 20, 1980
4	Benefits and Beneficiaries Under Public Employee Retirement Systems, Calendar Year 1977	April 4, 1980
5	Federal Employees Also Having OASDI-Covered Employment, 1975	April 22, 1980
6	Indochina Refugees Receiving Supplemental Security Income, July 1978	May 7, 1980
7	SSI Beneficiaries in Metropolitan Area, December 1977	May 23, 1980
8	Women Social Security Beneficiaries Aged 62 and Older, 1960-79	July 21, 1980
9	Representative Payments Under the SSI Program, August 1977	September 16, 1980
10	State and Local Government Employees Covered Under Social Security, 1977-79	September 17, 1980

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